

Message Text

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TAGS: MNUC, ENGR, IN

SUBJECT: TARAPUR FUEL STORAGE

REF: NEW DELHI 3405

PLEASE PASS TO THE AMBASSADOR, 9:00 A.M., SATURDAY,MARCH 4

1. YOU MAY FIND THE FOLLOWING EXTRACTS FROM THE DEPARTMENT'S RESPONSE TO THE NRC ON POINTS RAISED BY THE TARAPUR APPLICATION INTERVENORS USEFUL BACKGROUND MATERIAL FOR YOUR MEETING WITH SHANKAR IN DISCUSSING VARIOUS ASPECTS OF THE SPENT FUEL STORAGE QUESTION. THE DEPARTMENT'S STATEMENT, WHICH ALSO COVERS OTHER POINTS RELEVANT TO THE LICENSE APPLICATION, HAS BEEN PREPARED TO COMPLETE THE PUBLIC RECORD ON EVENTS SINCE THE NRC'S 1976 LICENSE HEARING. THE STATEMENT IS BEING FORWARDED IMMINENTLY TO THE NRC.

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PAGE 02 STATE 055492

2. BEGIN QUOTE:
DISPOSITION OF TAPS FUEL
DURING NRC CONSIDERATION OF THE INTERIM EXPORT OF LOW-ENRICHED URANIUM FUEL FOR USE IN TAPS UNDER XSNM-805, THE NRC AND THE EXECUTIVE BRANCH AGREED THAT THE DEPARTMENT OF STATE SHOULD EXPLORE WITH THE GOVERNMENT OF INDIA STEPS

WHICH WOULD PROVIDE FOR THE REPURCHASE BY THE UNITED STATES OF ALL IRRADIATED FUEL DISCHARGED FROM TAPS. THE INDIAN GOVERNMENT READILY AGREED IN PRINCIPLE TO THE RETURN OF SUCH IRRADIATED FUEL AND THE CONCERNED EXECUTIVE BRANCH AGENCIES PROCEEDED TO HOLD PRELIMINARY DISCUSSIONS WITH RESPONSIBLE INDIAN OFFICIALS REGARDING THE LEGAL, TECHNICAL, AND LOGISTIC PROBLEMS OF SO DOING. ON THE BASIS OF THE APPARENT INDIAN READINESS TO COOPERATE IN THIS MATTER-- COUPLED WITH THE INDIAN CHANGE IN GOVERNMENT AND ITS MORE FORTHCOMING ATTITUDE ON NON-PROLIFERATION ISSUES--THE EXECUTIVE BRANCH RECOMMENDED AND THE NRC AGREED IN JULY 1977, TO ANOTHER INTERIM EXPORT OF TAPS FUEL UNDER XSNM-845.

ON APRIL 19, 1977, AN INTERAGENCY SUBGROUP TO THE NSC AD HOC GROUP ON NON-PROLIFERATION WAS ESTABLISHED WITHIN THE EXECUTIVE BRANCH, UNDER THE CHAIRMANSHIP OF THE DEPARTMENT OF STATE, TO DEVELOP RECOMMENDATIONS CONCERNING THE LONG-TERM DISPOSITION OF SPENT TAPS FUEL. THE SUBGROUP CONSIDERED VARIOUS OPTIONS FOR THE DISPOSITION OF TAPS FUEL AND THE ESTIMATED COSTS, LOGISTICS PROBLEMS, LEGAL AND OTHER CONSTRAINTS, ENVIRONMENTAL AND SAFETY ISSUES, AS WELL AS THE INTERRELATIONSHIP BETWEEN THE TAPS SPENT FUEL DISPOSITION PROBLEM AND OVERALL U.S. NON-PROLIFERATION OBJECTIVES.

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PAGE 03 STATE 055492

THE SUBGROUP CONCLUDED THAT WITHOUT EXTRAORDINARY EFFORTS IT WOULD APPEAR THAT THE RETURN OF TAPS SPENT FUEL TO THE UNITED STATES ON A CURRENT BASIS WOULD ONLY BE ACCOMPLISHED AFTER A PERIOD OF AT LEAST SIX YEARS. THIS EXTENDED PERIOD RESULTS FROM THE LIMITED AVAILABILITY OF SUITABLE SPENT FUEL SHIPPING CASKS AND OCEAN TRANSPORT, LACK OF APPROPRIATE STORAGE CAPABILITIES WITHIN THE U.S. AND OTHER LOGISTICAL PROBLEMS. FURTHERMORE, PRELIMINARY ESTIMATES INDICATED THAT THE COST OF SUCH REMOVAL FROM AN INDIAN PORT WOULD RUN TO AT LEAST SEVERAL MILLIONS OF DOLLARS PER YEAR, WHEREAS THE CONTAINED NUCLEAR MATERIAL IN THE SPENT FUEL WOULD ONLY BE OF MARGINAL VALUE IF IT WERE REPROCESSED TO RECOVER THE RESIDUAL ENERGY VALUES AND RECYCLED. EFFORTS TO SPEED UP RETURN WOULD BE EVEN MORE COSTLY, SINCE THEY WOULD INVOLVE THE CONSTRUCTION OF ADDITIONAL CASKS, AIR TRANSPORT(WHICH ALSO WOULD RAISE ADDITIONAL ENVIRONMENTAL AND SAFETY QUESTIONS), ETC.

THUS, SUBSEQUENT EXECUTIVE BRANCH EFFORTS HAVE FOCUSED ON ASSISTING INDIA IN DEVELOPING AN ACCEPTABLE INTERIM PLAN, UNDER EFFECTIVE SAFEGUARDS, TO RELIEVE THE CURRENT ACUTE SHORTAGE OF SPENT FUEL STORAGE CAPACITY AT TAPS AND THEREBY

ALLEVIATING PRESSURES FOR REPROCESSING. (INDIAN OFFICIALS HAVE EXPRESSED THE VIEW THAT THIS SITUATION HAS BEEN

CAUSED BY THE U.S. DECISION NOT TO ALLOW U.S.-ORIGIN SPENT FUEL TO BE REPROCESSED IN THE RECENTLY COMPLETED TAPS REPROCESSING PLANT. FURTHER, POSSIBLE INDIAN EFFORTS TO ALLEVIATE THIS SITUATION WERE DEFERRED WHEN IT APPEARED THAT TAPS SPENT FUEL MIGHT BE RETURNED TO THE U.S. ON AN EXPEDITED BASIS.)

FAILURE TO SOLVE THIS STORAGE PROBLEM IN A MANNER ACCEPTABLE TO INDIA COULD RESULT IN A SEVERE REDUCTION OF POWER OUTPUT AND ULTIMATE SHUT-DOWN OF TAPS AND, THUS, COULD HAVE A MAJOR NEGATIVE IMPACT ON THE ACHIEVEMENT OF OUR LIMITED OFFICIAL USE

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PAGE 04 STATE 055492

LONG-TERM NON-PROLIFERATION AND POLITICAL OBJECTIVES. INDIA ALREADY HAS BEEN FORCED TO MAKE REDUCTIONS IN THE TAPS POWER LEVELS TO PERMIT DEFERRAL OF THESE DISCHARGES.

IN VIEW OF THE URGENCY OF THE TAPS SPENT FUEL STORAGE PROBLEM, THE U.S. DEPARTMENT OF ENERGY (DOE) ARRANGED FOR CONSULTANTS FROM THE GENERAL ELECTRIC COMPANY TO STUDY AND ADVISE THE INDIANS ON THE FEASIBILITY OF INCREASING STORAGE CAPACITY FOR TAPS SPENT FUEL THROUGH THE INSTALLATION OF NEW STORAGE RACKS THAT WOULD PERMIT HIGHER DENSITY STORAGE. A DOE/GE TEAM VISITED TAPS IN LATE SEPTEMBER 1977 AND REPORTED THEIR VIEW THAT INSTALLATION OF A HIGH DENSITY STORAGE RACK SYSTEM IN THE TAPS BASINS WAS FEASIBLE, BUT THAT EXPEDITED ACTIONS WOULD BE NECESSARY TO HAVE SUCH A SYSTEM IN PLACE WITHIN THE TIME AVAILABLE TO MEET SCHEDULED TAPS SPENT FUEL DISCHARGES.

ALTERNATIVE SOLUTIONS WERE CONSIDERED, BUT NONE APPEARED BOTH FEASIBLE AND LIKELY TO MEET PROJECTED TAPS NEEDS. CONSEQUENTLY, ARRANGEMENTS WERE MADE FOR GE TO PROVIDE TECHNICAL ASSISTANCE TO INDIA FOR THE DESIGN, FABRICATION, AND INSTALLATION OF A HIGH DENSITY RACK SYSTEM IN THE TAPS BASIN. THIS SYSTEM WILL BE DESIGNED TO PROVIDE SUFFICIENT ADDITIONAL STORAGE CAPACITY TO ACCOMMODATE TAPS SPENT FUEL PROJECTED TO BE DISCHARGED THROUGH THE EARLY 1980'S, WHICH SHOULD ALLOW SUFFICIENT TIME FOR THE DEVELOPMENT AND IMPLEMENTATION OF A MUTUALLY ACCEPTABLE PLAN FOR DISPOSITION OF TAPS SPENT FUEL ON A LONG-TERM BASIS.

THE RECENT ANNOUNCEMENT THAT THE U.S. WOULD ACCEPT SPENT FUEL FROM ABROAD UNDER CERTAIN CONDITIONS HAS INTRODUCED A NEW PARAMETER INTO OUR CONSIDERATION OF THE POLICY BASIS FOR IMPLEMENTING ANY LONG-TERM SPENT FUEL DISPOSITION ALTER-LIMITED OFFICIAL USE

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PAGE 05 STATE 055492

NATIVE INVOLVING THE POSSIBLE RETURN OF TAPS SPENT FUEL TO THE U.S. ALTHOUGH THE ADMINISTRATION'S PLANS FOR IMPLEMENTING ITS OVERALL SPENT FUEL STORAGE POLICY CONTINUE TO BE IN THE DEVELOPMENT STAGE, WE BELIEVE THAT THE POSSIBLE FUTURE RETURN OF TAPS SPENT FUEL FOR STORAGE IN THE U.S.

SHOULD BE CONSIDERED WITHIN THE FRAMEWORK OF THAT POLICY AS IT ULTIMATELY DEVELOPS IN CONFORMITY WITH OVERALL U.S. NON-PROLIFERATION OBJECTIVES.

AS INDICATED IN THE EXECUTIVE BRANCH ANALYSIS SUBMITTED TO THE NRC UNDER COVER OF OUR MEMORANDUM OF JANUARY 26, 1978, THE AGREEMENT FOR COOPERATION FOR CIVIL USES OF ATOMIC ENERGY BETWEEN THE UNITED STATES AND INDIA PROVIDES THAT SPECIAL NUCLEAR MATERIAL SUPPLIED TO INDIA BY THE UNITED STATES MAY NOT BE REPROCESSED UNLESS THERE IS A JOINT DETERMINATION OF THE PARTIES THAT SAFEGUARDS MAY BE EFFECTIVELY APPLIED. THE GOVERNMENT OF INDIA HAS BEEN ADVISED THAT THE U.S. IS NOT PREPARED TO MAKE SUCH A DETERMINATION FOR THE EXISTING TARAPUR REPROCESSING FACILITY (PREFERE). ADDITIONALLY, INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA) SAFEGUARDS ARE IN FULL EFFECT ON ALL U.S. ORIGIN SPECIAL NUCLEAR MATERIAL AND EQUIPMENT SUPPLIED PURSUANT TO OUR AGREEMENT FOR COOPERATION, WHICH ALSO PROHIBITS REEXPORT BY INDIA OF U.S. ORIGIN SPECIAL NUCLEAR MATERIALS WITHOUT U.S. AGREEMENT. END QUOTE. CHRISTOPHER

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